

REFERENCE TITLE: postsecondary education reforms

State of Arizona
Senate
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2006

SB 1323

Introduced by
Senators Bee, Aguirre, Bennett, Hellon, Miranda, Verschoor;
Representatives Burns J, O'Halleran, Paton: Senators Arzberger, Cannell,
Flake, Jarrett, Martin; Representatives Gallardo, Hershberger, Konopnicki

AN ACT

AMENDING SECTIONS 15-1626, 15-1824, 15-1851, 15-1854 AND 15-1877, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 14, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1855; PROVIDING FOR THE DELAYED REPEAL OF SECTION 15-1855, ARIZONA REVISED STATUTES; MAKING APPROPRIATIONS; RELATING TO POSTSECONDARY EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to
3 read:

4 15-1626. General administrative powers of board

5 A. The board shall:

6 1. Have and exercise the powers necessary for the effective governance
7 and administration of the institutions under its control. To that end, the
8 board may adopt, and authorize each university to adopt, such regulations,
9 policies, rules or measures as are deemed necessary and may delegate in
10 writing to its committees, to its university presidents, or their designees,
11 or to other entities under its control, any part of its authority for the
12 administration and governance of such institutions, including those powers
13 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
14 3, 4, 7, 8, 10 and 11 of this subsection and subsection B of this
15 section. Any delegation of authority may be rescinded by the board at any
16 time in whole or in part.

17 2. Appoint and employ and determine the compensation of presidents
18 with such power and authority and for such purposes in connection with the
19 operation of the institutions as the board deems necessary.

20 3. Appoint and employ and determine the compensation of
21 vice-presidents, deans, professors, instructors, lecturers, fellows and such
22 other officers and employees with such power and authority and for such
23 purposes in connection with the operation of the institutions as the board
24 deems necessary, or delegate its authority pursuant to paragraph 1 of this
25 subsection.

26 4. Remove any officer or employee when the interests of education in
27 this state so require in accordance with its personnel rules and policies.

28 5. Fix tuitions and fees to be charged and differentiate the tuitions
29 and fees between institutions and between residents, nonresidents,
30 undergraduate students, graduate students, students from foreign countries
31 and students who have earned credit hours in excess of the credit hour
32 threshold, except students whose chosen program requires for a degree
33 additional credit hours above the credit hour threshold. For the purposes of
34 this paragraph, the credit hour threshold is one hundred fifty-five hours in
35 fiscal year 2006-2007, one hundred fifty hours in fiscal year 2007-2008 and
36 one hundred forty-five hours after fiscal year 2007-2008. The amount of
37 tuition, registration fees and other revenues included in the operating
38 budget for the university adopted by the board as prescribed in paragraph 12
39 of this subsection shall be deposited, pursuant to sections 35-146 and
40 35-147. All other tuition and fee revenue shall be retained by each
41 university for expenditure as approved by the board. Except as provided in
42 subsection H of this section, the Arizona board of regents shall adopt rules
43 to govern its tuition and fee setting process that provide for the following:

1 (a) At least one public hearing at each university as an opportunity
2 for students and members of the public to comment upon any proposed increase
3 in tuition or fees.

4 (b) Publication of the notice of public hearing at least ten days
5 prior to the hearing in a newspaper of general circulation in Maricopa
6 county, Coconino county and Pima county. The notice shall include the date,
7 time and location of the public hearing.

8 (c) Public disclosure by each university of any proposed increases in
9 tuition or fees at least ten days prior to the public hearing.

10 (d) Final board action on changes in tuition or fees shall be taken by
11 roll call vote.

12 The procedural requirements of subdivisions (a), (b), (c) and (d) apply only
13 to those changes in tuition or fees that require board approval.

14 6. Pursuant to section 35-115, submit a budget request for each
15 institution under its jurisdiction that includes the estimated tuition and
16 fee revenue available to support the programs of the institution as described
17 in the budget request. The estimated available tuition and fee revenue shall
18 be based on the tuition and registration fee rates in effect at the time the
19 budget request is submitted with adjustments for projected changes in
20 enrollment as provided by the board.

21 7. Establish curriculums and designate courses at the several
22 institutions which in its judgment will best serve the interests of this
23 state.

24 8. Award such degrees and diplomas upon the completion of such courses
25 and curriculum requirements as it deems appropriate.

26 9. Prescribe qualifications for admission of all students to the
27 universities. The board shall establish policies for guaranteed admission
28 that assure fair and equitable access to students in this state from public,
29 private, charter and home schools. For the purpose of determining the
30 qualifications of honorably discharged veterans, veterans are those persons
31 who served in the armed forces for a minimum of two years and who were
32 previously enrolled at a university or community college in this state. No
33 prior failing grades received by the veteran at the university or community
34 college in this state may be considered.

35 10. Adopt any energy conservation standards promulgated by the
36 department of administration for the construction of new buildings.

37 11. Employ for such time and purposes as the board requires attorneys
38 whose compensation shall be fixed and paid by the board. Litigation to which
39 the board is a party and for which self-insurance is not provided may be
40 compromised or settled at the direction of the board.

41 12. Adopt annually an operating budget for each university equal to the
42 sum of appropriated general fund monies and the amount of tuition,
43 registration fees and other revenues approved by the board and allocated to
44 each university operating budget.

1 13. In consultation with the state board of education and other
2 education groups, develop and implement a program to award honors
3 endorsements to be affixed to the high school diplomas of qualifying high
4 school pupils and to be included in the transcripts of pupils who are awarded
5 endorsements. The board shall develop application procedures and testing
6 criteria and adopt testing instruments and procedures to administer the
7 program. In order to receive an honors endorsement, a pupil must demonstrate
8 an extraordinary level of knowledge, skill and competency as measured by the
9 testing instruments adopted by the board in mathematics, English, science and
10 social studies. Additional subjects may be added at the determination of the
11 board. The program is voluntary for pupils.

12 14. Require the publisher of each literary and nonliterary textbook
13 used in the universities of this state to furnish computer software in a
14 standardized format when software becomes available for nonliterary
15 textbooks, to the Arizona board of regents from which braille versions of the
16 textbooks may be produced.

17 15. Require universities that provide a degree in education to require
18 courses that are necessary to obtain a provisional structured English
19 immersion endorsement as prescribed by the state board of education.

20 16. DEVELOP AND MAINTAIN A DISTANCE LEARNING NETWORK THAT INCLUDES
21 ACCREDITED PUBLIC AND PRIVATE POSTSECONDARY EDUCATION INSTITUTIONS THAT
22 DESIRE TO PARTICIPATE IN THE DISTANCE LEARNING NETWORK. EACH PRIVATE
23 POSTSECONDARY EDUCATION INSTITUTION THAT PARTICIPATES IN THE DISTANCE
24 LEARNING NETWORK SHALL REIMBURSE THE ARIZONA BOARD OF REGENTS FOR THE COSTS
25 TO INCLUDE THAT PRIVATE POSTSECONDARY EDUCATION INSTITUTION IN THE DISTANCE
26 LEARNING NETWORK BASED ON STUDENT ENROLLMENT.

27 B. The board shall adopt personnel rules. All nonacademic employees
28 of the universities are subject to these rules except for university
29 presidents, university vice-presidents, university deans, legal counsel and
30 administrative officers. The personnel rules shall be similar to the
31 personnel rules under section 41-783. The rules shall include provisions for
32 listing available positions with the department of economic security,
33 competitive employment processes for applicants, probationary status for new
34 nonacademic employees, nonprobationary status on successful completion of
35 probation and due process protections of nonprobationary employees after
36 discharge. The board shall provide notice of proposed rule adoption and an
37 opportunity for public comment on all personnel rules proposed for adoption.

38 C. The Arizona board of regents may employ legal assistance in
39 procuring loans for the institutions from the United States government. Fees
40 or compensation paid for such legal assistance shall not be a claim upon the
41 general fund of this state but shall be paid from funds of the institutions.

42 D. The board shall approve or disapprove any contract or agreement
43 entered into by the university of Arizona hospital with the Arizona health
44 facilities authority.

1 E. The board may adopt policies which authorize the institutions under
2 its jurisdiction to enter into employment contracts with nontenured employees
3 for periods of more than one year but not more than five years. The policies
4 shall prescribe limitations on the authority of the institutions to enter
5 into employment contracts for periods of more than one year but not more than
6 five years, including the requirement that the board approve the contracts.

7 F. The board may adopt a plan or plans for employee benefits which
8 allow for participation in a cafeteria plan that meets the requirements of
9 the United States internal revenue code of 1986.

10 G. The board may establish a program for the exchange of students
11 between the universities under the jurisdiction of the board and colleges and
12 universities located in the state of Sonora, Mexico. Notwithstanding
13 subsection A, paragraph 5 of this section, the program may provide for
14 in-state tuition at the universities under the jurisdiction of the board for
15 fifty Sonoran students in exchange for similar tuition provisions for up to
16 fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or
17 universities. The board may direct the universities to work in conjunction
18 with the Arizona-Mexico commission to coordinate recruitment and admissions
19 activities.

20 H. Subsection A, paragraph 5, subdivisions (a), (b), (c) and (d) of
21 this section do not apply to fee increases that are set by individual
22 universities and that do not require approval by the Arizona board of regents
23 before the fee increase becomes effective.

24 Sec. 2. Section 15-1824, Arizona Revised Statutes, is amended to read:

25 15-1824. Transfer articulation; annual report

26 A. The community college districts, ~~and~~ universities UNDER THE
27 JURISDICTION OF THE ARIZONA BOARD OF REGENTS, THE COMMISSION FOR
28 POSTSECONDARY EDUCATION AND PRIVATE POSTSECONDARY EDUCATION INSTITUTIONS IN
29 THIS STATE shall cooperate in operating a statewide articulation and transfer
30 system, including the process for transfer of lower division general
31 education credits, general elective credits and curriculum requirements for
32 approved majors, to facilitate the transfer of community college students to
33 Arizona public universities AND PRIVATE POSTSECONDARY EDUCATION INSTITUTIONS
34 without a loss of credit toward a baccalaureate degree and to ensure that the
35 postsecondary education needs of students statewide are met without
36 unnecessary duplication of programs.

37 B. The Arizona board of regents, ~~and~~ the community college districts,
38 THE COMMISSION FOR POSTSECONDARY EDUCATION AND THE PRIVATE POSTSECONDARY
39 EDUCATION INSTITUTIONS IN THIS STATE shall submit an annual report of their
40 progress on both articulation and meeting statewide postsecondary education
41 needs to the joint legislative budget committee on or before December 15 and
42 shall provide a copy of this report to the secretary of state and the
43 director of the Arizona state library, archives and public records.

1 Sec. 3. Section 15-1851, Arizona Revised Statutes, is amended to read:

2 15-1851. Commission for postsecondary education: purpose:
3 report; members: terms: powers and duties:
4 compensation: quorum: personal liability: definition

5 A. The commission for postsecondary education is established as the
6 postsecondary review entity for this state for the conduct, supervision and
7 coordination of the review of postsecondary education institutions in order
8 to determine the eligibility of those institutions for student financial aid
9 monies pursuant to ~~the provisions of~~ part H, subpart one of the higher
10 education amendments of 1992 (P.L. 102-325; 106 Stat. 638; 20 United States
11 Code section 1099a). The commission shall accomplish the purpose of this
12 subsection through the accumulation of information, the performance of
13 studies and the determination of compliance by the postsecondary education
14 institutions with ~~the provisions of~~ part H, subpart one of the higher
15 education amendments of 1992. The review authority of the commission shall
16 be limited to circumstances where the United States department of education
17 has referred an institution to the commission for review or where the United
18 States department of education has approved the review of an institution in
19 accordance with criteria established by the United States department of
20 education. The commission shall keep records of its activities, and the
21 commission shall provide information when requested to the United States
22 secretary of education for financial and compliance audits and for
23 institution evaluation. The scope of authority of the commission acting as a
24 postsecondary review entity to review any educational institution is limited
25 specifically to compliance by the institution with title IV, part H, subpart
26 one of the higher education amendments of 1992. Any review of any
27 institution conducted by the commission shall be performed in the context of
28 the institution's individual mission and purposes. The commission shall not
29 exercise planning, policy, coordinating, supervisory, budgeting or
30 administrative powers over any postsecondary institution in this state.

31 B. The commission shall also administer the applicable programs
32 identified under section 1203 of the higher education act amendments of 1998
33 (P.L. 105-244), including the leveraging educational assistance partnership
34 program, the federal family education loan program and the Paul Douglas
35 teacher scholarships program, and shall supervise the state guarantee agency
36 under the higher education act amendments of 1998.

37 C. In addition to the responsibilities prescribed in subsections A and
38 B of this section, the commission shall:

39 1. Provide a forum to public and private postsecondary education
40 institutions for discussion of issues of mutual interest, including the
41 following:

42 (a) The postsecondary needs of unserved and underserved individuals in
43 this state.

1 (b) The resources of public and private institutions, organizations
2 and agencies that are located in this state and that are capable of providing
3 postsecondary education opportunities.

4 (c) Enrollment demand and public policy options to meet statewide
5 needs for postsecondary education services.

6 (d) Cooperative comprehensive instructional and capital planning.

7 2. Provide reports pursuant to this subsection on discussions of
8 issues of mutual interest.

9 3. Coordinate and promote collaborative studies on issues of mutual
10 interest to public and private postsecondary education institutions.

11 4. Compile and disseminate information to the public regarding
12 postsecondary education opportunities in this state.

13 5. Prepare an annual report that summarizes the results of the
14 commission's activities prescribed in this section and section 15-1852. The
15 annual report shall be submitted to the speaker of the house of
16 representatives, the president of the senate, the governor and the Arizona
17 state library, archives and public records by December 28.

18 6. DEVELOP, IMPLEMENT AND ADMINISTER A FIVE YEAR UNIVERSITY CENTERS
19 PILOT PROGRAM. THE COMMISSION SHALL ESTABLISH ONE UNIVERSITY CENTER IN A
20 COUNTY WITH A POPULATION OF MORE THAN EIGHT HUNDRED THOUSAND PERSONS AND ONE
21 UNIVERSITY CENTER IN A COUNTY WITH A POPULATION OF EIGHT HUNDRED THOUSAND
22 PERSONS OR LESS. THE COMMISSION SHALL SELECT THE UNIVERSITY CENTER SITES
23 BASED ON PROPOSALS SUBMITTED BY A COMMUNITY COLLEGE, A COMMUNITY COLLEGE
24 DISTRICT, A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF
25 REGENTS, A PRIVATE POSTSECONDARY EDUCATION INSTITUTION IN THIS STATE OR A
26 PARTNERSHIP COMPRISED OF ANY COMBINATION OF THESE ENTITIES. PROPOSALS
27 SUBMITTED PURSUANT TO THIS PARAGRAPH SHALL INCLUDE EACH OF THE FOLLOWING
28 COMPONENTS:

29 (a) EVIDENCE THAT ACCESS TO BACCALAUREATE DEGREE PROGRAMS IS LIMITED
30 IN THAT GEOGRAPHIC AREA.

31 (b) A DESCRIPTION OF THE PROPOSED BACCALAUREATE DEGREE PROGRAMS TO BE
32 OFFERED.

33 (c) EVIDENCE OF SUFFICIENT STUDENT DEMAND FOR THE PROPOSED
34 BACCALAUREATE DEGREE PROGRAMS.

35 (d) EVIDENCE OF COMMUNITY SUPPORT FOR THE PROPOSED UNIVERSITY CENTER
36 AND THE PROPOSED BACCALAUREATE DEGREE PROGRAMS.

37 (e) EVIDENCE OF THE LONG-TERM COMMITMENT OF THE INITIAL PROPONENTS OF
38 THE UNIVERSITY CENTER.

39 (f) A DESCRIPTION OF THE DELIVERY METHODS TO BE USED TO MAXIMIZE
40 STUDENT ACCESS TO COURSES AND PROGRAMS.

41 (g) A DESCRIPTION OF THE FACILITIES, EQUIPMENT AND OTHER RESOURCES
42 NECESSARY FOR THE UNIVERSITY CENTER. THE COMMISSION SHALL GIVE PRIORITY TO
43 PROPOSALS THAT MAXIMIZE THE USE OF EXISTING INFRASTRUCTURE.

1 (h) A DESCRIPTION OF THE PROPOSED EVALUATION SYSTEM TO ASSESS COSTS,
2 ENROLLMENT AND PERFORMANCE OF BACCALAUREATE STUDENTS, INCLUDING RETENTION
3 RATES, GRADUATION RATES AND TRANSFER RATES.

4 (i) A DESCRIPTION OF THE PROPOSED ACADEMIC AND FINANCIAL AID SERVICES.

5 (j) EVIDENCE OF COLLABORATION WITH PUBLIC AND PRIVATE PROVIDERS OF
6 BACCALAUREATE DEGREES.

7 7. DEVELOP, IN CONSULTATION WITH ALL SECTORS OF THE PUBLIC AND PRIVATE
8 POSTSECONDARY EDUCATION SYSTEM, A DUAL ENROLLMENT MODEL AND A JOINT
9 ADMISSIONS MODEL TO BE USED BY POSTSECONDARY EDUCATION INSTITUTIONS TO
10 IMPROVE TRANSFER AND GRADUATION RATES AT THE UNIVERSITIES UNDER THE
11 JURISDICTION OF THE ARIZONA BOARD OF REGENTS.

12 8. ANNUALLY PUBLISH AN ARIZONA COLLEGE AND CAREER GUIDE THAT DESCRIBES
13 IMPORTANT EDUCATION AND CAREER RECOURSES IN THIS STATE AND THAT IS TO BE
14 DISTRIBUTED TO ALL PUBLIC AND PRIVATE HIGH SCHOOL STUDENTS IN THIS STATE.

15 D. The commission consists of the executive director of the Arizona
16 board of regents, the executive director of the state board for private
17 postsecondary education and the following additional members who shall be
18 appointed by the governor pursuant to section 38-211:

19 1. Two members who hold senior executive or managerial positions in a
20 university under the jurisdiction of the Arizona board of regents.

21 2. Two members who hold senior executive or managerial positions in a
22 community college district, one representing a community college district in
23 a county with a population of five hundred thousand persons or more and one
24 representing a community college district in a county with a population of
25 less than five hundred thousand persons.

26 3. Two members who hold senior executive or managerial positions in
27 private postsecondary institutions of higher education that are licensed
28 under title 32, chapter 30, that are located in this state, that offer
29 bachelor or higher degrees and that are accredited by a regional
30 accreditation agency approved by the United States department of education.

31 4. Two members who hold senior executive or managerial positions in
32 private postsecondary institutions of higher education that are licensed
33 under title 32, chapter 30, that are located in this state, that offer
34 vocational education programs and that are accredited by a national
35 accreditation agency approved by the United States department of education.

36 5. One member who holds a senior executive or managerial position in a
37 private cosmetology school that is licensed under title 32, chapter 5, that
38 is located in this state, that offers cosmetology programs approved by the
39 board of cosmetology and that is accredited by a national accreditation
40 agency approved by the United States department of education.

41 6. One member who holds a senior executive or managerial position in
42 an institution that is licensed under title 32, chapter 23 or under the
43 provisions of 14 Code of Federal Regulations part 147, that offers vocational
44 education programs at the postsecondary level, that is located in this state
45 and that is not an institution that is qualified under any other category.

7. One member who has held a senior executive or managerial level position in commerce or industry in this state for at least three years before the member's appointment and who is not qualified to serve under any other category.

8. Two members who hold senior executive or managerial positions in the high school education system in this state.

9. One member who is an owner, operator or administrator of a charter school in this state.

E. Members of the commission appointed pursuant to subsection D, paragraphs 1 through 9 of this section shall serve four year terms. Appointed members of the commission shall be residents of this state. Appointed members of the commission at all times during their terms shall continue to be eligible for appointment under the category that they were appointed to represent. Terms of appointed members of the commission begin on the third Monday in January. No appointed member of the commission may serve more than two consecutive terms.

F. The executive director of the Arizona board of regents and the executive director of the state board for private postsecondary education serve as members of the commission during their respective terms of office and are not eligible to vote with respect to the commission's review of any postsecondary institution.

G. Members appointed pursuant to subsection D, paragraphs 1 through 9 of this section are eligible to receive compensation pursuant to section 38-611 for each day spent in the performance of commission duties and may be reimbursed for expenses properly incurred in connection with the attendance at meetings or hearings of the commission.

H. The governor shall appoint a chairman from among the members of the commission who shall serve a one year term that begins on the third Monday in January.

I. Except as provided in subsection J of this section, a majority of the members of the commission constitutes a quorum for the transaction of commission business. The vote of a majority of the quorum constitutes authority for the commission to act.

J. For all purposes relating to title IV, part H, subpart one of the higher education amendments of 1992, the commission membership shall consist only of the members appointed pursuant to subsection D, paragraphs 1 through 7 of this section, and all commission actions taken pursuant to title IV, part H, subpart one of the higher education act of 1992 require the affirmative vote of at least six members.

K. Members of the commission are immune from personal liability with respect to all actions that are taken in good faith and within the scope of the commission's authority.

L. For the purposes of this section, "community college district" means a community college district that is established pursuant to sections 15-1402 and 15-1403 and that is a political subdivision of this state.

1 Sec. 4. Section 15-1854, Arizona Revised Statutes, is amended to read:

2 15-1854. Postsecondary education student financial assistance
 3 program; postsecondary education student financial
 4 assistance fund; definition

5 A. A ~~private~~ postsecondary education student financial assistance
 6 program is established. The commission shall develop, implement and
 7 administer the program. A student who obtains an associate degree from a
 8 community college district or from a community college under the jurisdiction
 9 of an Indian tribe in this state that meets the same accreditation standards
 10 as a community college district and who registers for enrollment as a
 11 full-time student in a baccalaureate program at a private, nationally or
 12 regionally accredited four year degree granting college or university
 13 chartered in this state OR AT A PUBLIC UNIVERSITY IN THIS STATE is eligible
 14 to submit an application to the commission for participation in the program.
 15 The commission shall establish eligibility criteria for the program including
 16 financial need and academic merit, shall develop application forms,
 17 procedures and deadlines and shall select qualifying students each year for
 18 participation in the program. Participating students shall receive an award
 19 in an amount of up to one thousand five hundred dollars annually for not to
 20 exceed two years and three thousand dollars to be used to pay all or a
 21 portion of the tuition and fees charged at the private, accredited four year
 22 college or university OR AT THE PUBLIC UNIVERSITY.

23 B. A ~~private~~ postsecondary education student financial assistance fund
 24 is established consisting of legislative appropriations. The commission
 25 shall administer the fund. Monies in the fund are exempt from the provisions
 26 of section 35-190, relating to lapsing of appropriations. The commission
 27 shall make awards for payment of tuition at eligible colleges or universities
 28 to students who are selected to participate in the ~~private~~ postsecondary
 29 education student financial assistance program pursuant to subsection A OF
 30 THIS SECTION.

31 ~~C. The commission shall develop a program evaluation procedure in~~
 32 ~~order to determine the effectiveness of the private postsecondary education~~
 33 ~~student financial assistance program in shifting students who would have~~
 34 ~~otherwise attended a public four year college or university to private four~~
 35 ~~year degree granting colleges or universities.~~

36 ~~D.~~ C. A student who fails to receive a baccalaureate degree within a
 37 three year period of receipt of the program award shall reimburse the ~~private~~
 38 postsecondary education student financial assistance fund for all awards
 39 received pursuant to subsection A OF THIS SECTION.

40 ~~E.~~ D. For the purposes of this section, "community college district"
 41 means a community college district THAT IS established pursuant to sections
 42 15-1402 and 15-1403 AND that is a political subdivision of this state.

1 Sec. 5. Title 15, chapter 14, article 5, Arizona Revised Statutes, is
2 amended by adding section 15-1855, to read:

3 15-1855. University access grant pilot program; university
4 access grant program fund; definition

5 A. THE COMMISSION ON POSTSECONDARY EDUCATION SHALL DEVELOP, IMPLEMENT
6 AND ADMINISTER A FIVE YEAR UNIVERSITY ACCESS GRANT PILOT PROGRAM. THE
7 COMMISSION SHALL DEVELOP APPLICATION FORMS, PROCEDURES AND DEADLINES AND
8 SHALL SELECT QUALIFYING STUDENTS EACH YEAR FOR PARTICIPATION IN THE
9 UNIVERSITY ACCESS GRANT PILOT PROGRAM. PARTICIPATING FULL-TIME STUDENTS
10 SHALL RECEIVE A GRANT IN AN AMOUNT OF UP TO TWO THOUSAND FIVE HUNDRED DOLLARS
11 ANNUALLY TO BE USED TO PAY ALL OR A PORTION OF THE TUITION, BOOKS AND FEES
12 CHARGED FOR UPPER DIVISION COURSES AT THE PUBLIC OR PRIVATE POSTSECONDARY
13 INSTITUTION FOR A MAXIMUM OF SIX CONSECUTIVE SEMESTERS. PARTICIPATING
14 HALF-TIME STUDENTS SHALL RECEIVE A GRANT IN AN AMOUNT OF UP TO ONE THOUSAND
15 TWO HUNDRED FIFTY DOLLARS ANNUALLY TO BE USED TO PAY ALL OR A PORTION OF THE
16 TUITION, BOOKS AND FEES CHARGED FOR UPPER DIVISION COURSES AT THE PUBLIC OR
17 PRIVATE POSTSECONDARY INSTITUTION FOR A MAXIMUM OF TWELVE CONSECUTIVE
18 SEMESTERS. A STUDENT WHO IS AWARDED A GRANT PURSUANT TO THIS SECTION MAY USE
19 A PORTION OF THE GRANT TO LEASE COMPUTER EQUIPMENT AND OBTAIN INTERNET ACCESS
20 IF THE STUDENT DOES NOT CURRENTLY HAVE ACCESS TO A COMPUTER.

21 B. STUDENTS WHO MEET EACH OF THE FOLLOWING CRITERIA ARE ELIGIBLE TO
22 SUBMIT AN APPLICATION FOR CONSIDERATION BY THE COMMISSION FOR A GRANT UNDER
23 THE UNIVERSITY ACCESS GRANT PILOT PROGRAM:

24 1. THE STUDENT HAS OBTAINED AN ASSOCIATE DEGREE FROM A COMMUNITY
25 COLLEGE DISTRICT OR FROM A COMMUNITY COLLEGE UNDER THE JURISDICTION OF AN
26 INDIAN TRIBE IN THIS STATE THAT MEETS THE SAME ACCREDITATION STANDARDS AS A
27 COMMUNITY COLLEGE DISTRICT OR HAS OBTAINED AT LEAST SIXTY CREDIT HOURS OF
28 TRANSFERABLE LOWER DIVISION COURSEWORK.

29 2. THE STUDENT REGISTERS FOR ENROLLMENT AS A STUDENT IN A
30 BACCALAUREATE PROGRAM AT AN ACCREDITED PUBLIC OR PRIVATE POSTSECONDARY
31 INSTITUTION IN THIS STATE THAT AWARDS FOUR YEAR DEGREES.

32 3. THE STUDENT DEMONSTRATES TO THE SATISFACTION OF THE COMMISSION
33 EITHER OF THE FOLLOWING:

34 (a) THAT THE STUDENT IS UNABLE TO PARTICIPATE IN BACCALAUREATE COURSE
35 OFFERINGS AT A PUBLIC POSTSECONDARY INSTITUTION BECAUSE THE STUDENT RESIDES
36 MORE THAN TEN MILES FROM THE NEAREST CAMPUS OF A PUBLIC POSTSECONDARY
37 INSTITUTION THAT OFFERS BACCALAUREATE DEGREES.

38 (b) WORK OBLIGATIONS, FAMILY OBLIGATIONS OR OTHER PERSONAL OBLIGATIONS
39 OR PERSONAL SITUATIONS PREVENT THE STUDENT FROM PARTICIPATING IN
40 BACCALAUREATE COURSE OFFERINGS.

41 4. THE STUDENT HAS NOT OBTAINED A BACCALAUREATE OR PROFESSIONAL
42 DEGREE.

43 5. THE STUDENT IS A RESIDENT OF THIS STATE.

44 6. THE STUDENT DEMONSTRATES FINANCIAL NEED FOR THE GRANT TO THE
45 SATISFACTION OF THE COMMISSION.

C. IN ADDITION TO THE ELIGIBILITY CRITERIA PRESCRIBED IN SUBSECTION B OF THIS SECTION, THE COMMISSION SHALL CONSIDER OTHER POTENTIAL SOURCES OF FINANCIAL AID FOR EACH APPLICANT TO ENSURE THAT THE GRANTS ARE AWARDED TO STUDENTS WHO DEMONSTRATE THE GREATEST FINANCIAL NEED.

D. THE COMMISSION SHALL GIVE PRIORITY TO GRANT APPLICANTS WHO ARE PURSUING A DEGREE IN EMPLOYMENT AREAS THAT ARE UNDERSERVED IN THE APPLICANT'S COMMUNITY.

E. THE UNIVERSITY ACCESS GRANT FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS. THE COMMISSION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE COMMISSION SHALL MAKE AWARDS FOR PAYMENT OF TUITION AT ELIGIBLE COLLEGES OR UNIVERSITIES TO STUDENTS WHO ARE SELECTED TO PARTICIPATE IN THE UNIVERSITY ACCESS GRANT PILOT PROGRAM PURSUANT TO SUBSECTION A OF THIS SECTION.

F. THE COMMISSION SHALL DEVELOP A PROGRAM EVALUATION PROCEDURE IN ORDER TO DETERMINE THE EFFECTIVENESS OF THE UNIVERSITY ACCESS GRANT PILOT PROGRAM AND TO DETERMINE THE EXTENT AND DISTRIBUTION OF STUDENTS ELIGIBLE FOR PARTICIPATION IN THE UNIVERSITY ACCESS PILOT GRANT PROGRAM.

G. A STUDENT WHO FAILS TO RECEIVE A BACCALAUREATE DEGREE WITHIN A FOUR YEAR PERIOD OF RECEIPT OF THE PROGRAM AWARD SHALL REIMBURSE THE UNIVERSITY ACCESS GRANT FUND FOR ALL GRANTS RECEIVED PURSUANT TO SUBSECTION A OF THIS SECTION.

H. FOR THE PURPOSES OF THIS SECTION, "COMMUNITY COLLEGE DISTRICT" MEANS A COMMUNITY COLLEGE DISTRICT THAT IS ESTABLISHED PURSUANT TO SECTIONS 15-1402 AND 15-1403 AND THAT IS A POLITICAL SUBDIVISION OF THIS STATE.

Sec. 6. Delayed repeal

Section 15-1855, Arizona Revised Statutes, as added by this act, is repealed from and after June 30, 2011.

Sec. 7. Section 15-1877, Arizona Revised Statutes, is amended to read: 15-1877. Scholarships and financial aid provisions

A. Any student loan program, student grant program or other financial assistance program established or administered by this state shall treat the balance in an account of which the student is a designated beneficiary as neither an asset of the parent of the designated beneficiary nor as a scholarship, a grant or an asset of the student for determining a student's or parent's income, assets or financial need.

B. Subsection A applies to any state appropriated financial assistance program administered by a college or university in this state including the financial aid trust fund, established by section 15-1642, the leveraging educational assistance program established by section 1203 of the higher education act amendments of 1998 (P.L. 105-244; 112 Stat. 1581; 20 United States Code section 1001) and the ~~private~~ postsecondary education student financial assistance program established by section 15-1854.

C. Subsections A and B do not apply if any of the following conditions exist:

1 1. Federal law requires all or a portion of the amount in an account
2 to be taken into consideration in a different manner.

3 2. Federal benefits could be lost if all or a portion of the amount in
4 an account is not taken into consideration in a different manner.

5 3. A specific grant establishing a financial assistance program
6 requires that all or a portion of the amount in an account be taken into
7 consideration.

8 Sec. 8. Appropriation; postsecondary education student
9 financial assistance fund; exemption

10 A. The sum of \$8,000,000 is appropriated from the state general fund
11 in fiscal year 2006-2007 to the commission for postsecondary education for
12 deposit in the postsecondary education student financial assistance fund
13 established by section 15-1854, Arizona Revised Statutes, as amended by this
14 act.

15 B. Of the monies appropriated pursuant to subsection A of this
16 section, no more than \$5,000,000 shall be used for students who attend public
17 postsecondary institutions and no more than \$3,000,000 shall be used for
18 students who attend private postsecondary institutions.

19 C. Of the monies appropriated pursuant to subsection A of this
20 section, no more than \$800,000 shall be used by the commission for
21 postsecondary education for administrative costs.

22 D. The appropriation made in subsection A of this section is exempt
23 from the provisions of section 35-190, Arizona Revised Statutes, relating to
24 lapsing of appropriations.

25 Sec. 9. Appropriation; university access grant program fund;
26 exemption

27 A. The sum of \$2,000,000 is appropriated from the state general fund
28 in fiscal year 2006-2007 to the commission for postsecondary education for
29 deposit in the university access grant program fund established by section
30 15-1855, Arizona Revised Statutes, as added by this act.

31 B. Of the monies appropriated pursuant to subsection A of this
32 section, no more than \$200,000 shall be used by the commission for
33 postsecondary education for administrative costs.

34 C. The appropriation made in subsection A of this section is exempt
35 from the provisions of section 35-190, Arizona Revised Statutes, relating to
36 lapsing of appropriations.

37 Sec. 10. Appropriation; university centers pilot program;
38 exemption

39 A. The sum of \$5,000,000 is appropriated from the state general fund
40 in fiscal year 2006-2007 to the commission for postsecondary education for
41 the costs to implement and maintain the university centers pilot program
42 established by section 15-1851, subsection C, paragraph 6, Arizona Revised
43 Statutes, as amended by this act.

1 B. Of the monies appropriated pursuant to subsection A of this
2 section, no more than \$500,000 shall be used by the commission for
3 postsecondary education for administrative costs.

4 C. The appropriation made in subsection A of this section is exempt
5 from the provisions of section 35-190, Arizona Revised Statutes, relating to
6 lapsing of appropriations.

7 Sec. 11. Appropriation; dual enrollment and joint admission
8 models; exemption

9 A. The sum of \$50,000 is appropriated from the state general fund in
10 fiscal year 2006-2007 to the commission for postsecondary education for the
11 costs to develop the dual enrollment and joint admission models prescribed by
12 section 15-1851, subsection C, paragraph 7, Arizona Revised Statutes, as
13 amended by this act. The commission for postsecondary education may use the
14 monies appropriated pursuant to this subsection to contract with a third
15 party to develop the models.

16 B. Of the monies appropriated pursuant to subsection A of this
17 section, no more than \$5,000 shall be used by the commission for
18 postsecondary education for administrative costs.

19 C. The appropriation made in subsection A of this section is exempt
20 from the provisions of section 35-190, Arizona Revised Statutes, relating to
21 lapsing of appropriations.

22 Sec. 12. Appropriation; Arizona college and career guide;
23 exemption

24 A. The sum of \$50,000 is appropriated from the state general fund in
25 fiscal year 2006-2007 to the commission for postsecondary education for the
26 costs to develop and distribute the Arizona college and career guide
27 prescribed by section 15-1851, subsection C, paragraph 8, Arizona Revised
28 Statutes, as amended by this act. The commission for postsecondary education
29 may use the monies appropriated pursuant to this subsection to contract with
30 a third party to develop the models.

31 B. Of the monies appropriated pursuant to subsection A of this
32 section, no more than \$5,000 shall be used by the commission for
33 postsecondary education for administrative costs.

34 C. The appropriation made in subsection A of this section is exempt
35 from the provisions of section 35-190, Arizona Revised Statutes, relating to
36 lapsing of appropriations.